GRS IX 5]

Previous references. 1023. (Mezzotair)

File No. 274-23
Serial Nos. 1 – 2

Later references.
Mezz. 202-24-1-3
" 17-25 1 L

GENERAL AND REVENUE SECRETARIAT

Serial Nos. 2

Part B for August 1924

SUBJECT

Requesting the opinion of the Legislative Department in the matter of certain charities founded by Devisamma and Channamma of Vadigenehally, Divanhally Taluq.

GR 277 dated 22.8.24 — To the Mezz Govt.

Forwards a copy of the memo of the Legislative Secy. containing the opinion

A1850

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GENERAL AND REVENUE SECRETARIAT.

(Mur)

NOTES.

File No. 274-23

FILE HEADING.

Charities founded by Devirammā and Channammā of Vadigenahalli & other endowment of 16,000 Rs

From

The Mysore Comr.

No. Sec. 165 Dated 21-4-24 Received 25/4

Diary No. 2104 Enclos. 1 Spare Copies ? Serial No. 1

BRIEF ABSTRACT OF LETTER.

Describes in detail the trust created by the two ladies above named and requests the Govt. sanction of Govt. orders issued in regard to the nature of the trust and alteration thereof to come falling under Sec 3 (1) of the Mysore Regulation.

NOTES AND ORDERS.

The Mysore Comr. gives a detailed history of the trust created by the two ladies above referred to, how the interest on trust money came to be partly misapplied, and in what manner the creators of the trust wanted now with their money to be used. Para II of the Mysore Comr's letter indicates the points on

NOTES—First Sheet.

Muzrai Secretariat

Muz. File No. 274 of 1923.

Serial No.

on which Legislative Opinion is required.

2 The papers may, if approved, be referred to the L. & L. Secrett for favour of opinion

BG
29.4.24

Revd 2.5.24.

Rec'd 3) for favour of Opinion
pe 3/5

The papers dealt with by this note

L. L. Secy with
Compts)

D
3.5.24.

NOTE—Contn. sheet

WD 0561—GPB—3750—1 8 22

Serial No.

4) (i) & (ii) The deed of 18th July 1918 is the Trust Deed whereby the Trust has been created and the trustees have undertaken to execute the trust. When once a trust has been created, the creator of the trust has no power to revoke it except under circumstances mentioned in Section 78 of the Indian Trusts Act. This is not a case falling under that Section. In this view of the case, even if the petitions are held to be genuine they have no legal effect.

5) (iii) The answer to question (iii) is undoubtedly in the negative. Investments can only be made in the manner provided in Section 20 of the Indian Trusts Act. The trustees are bound to invest moneys on securities mentioned in Section 20 of the Trust Act. As the investment in the private bank is not authorised in the instrument of Trust referred to above, the investment in the shares of a private Bank is illegal.

6) (iv) In view of answer to (iii) there is no necessity to ~~answer (iv)~~ Consider Question No IV.

7) (v). The provisions of Section 3(1) of the Muzrai Regulation can apply only to cases where at the time of creating the trust, the author intends to vest the management of the Trust in Government and not to a case like the present ~~one~~ in which the trust has been brought about, the trustees have been appointed and the properties ~~have~~ are vested in ~~the Trustees.~~ Thus

Rev Secy with Comptr's Remarks } 8) May be informed accordingly 9) [illegible]

NOTE—Contn. sheet

Bpar 16/8 386/16-7

S. III. 2]

Muzrai Secretariat | Muz. File No. 274 of 1923.

Serial No.	
1	Put with a draft for orders [illegible] 18/8 [illegible] 18/8/23 [illegible] Issue [illegible] 18.8.23
2	To the Muzrai Commr. No. 277 d. 22.8.23 Forwarded as desired by him a copy of the memo containing the opinion of the Legislative Secy & [illegible] in the Secretariat in connection with [illegible]

NOTE—Contn. sheet

WD 0561—GPB—3750—1 8 22

55127

No. Rev C 165 y 23-4 Office of the Muzrai Commissioner in Mysore.

One file & records Dated Bangalore, 21st April 1924.

D. 2104

Muzj

From

K. Chandy, Esquire., B.A.,

Muzrai Commissioner in Mysore,

Bangalore.

Muzj 274-23-1.

To

H. V. Anantaramaniah, Esquire., B.A.,

Secretary to the Government of His

Highness the Maharaja of Mysore,

Revenue Department.

Sir,

I have the honor to submit herewith the file of papers relating to the assumption by Government of certain charities founded by one -- Deviramma and Chennamma of Madrenahalli, Devanahalli Taluk, and the -- conduct of stipulated services out of interest earnings of a sum of -- Rs.16000/- paid by them and to state as follows.

2. The individuals above named paid a sum of Rs.1000/- and 15000/- on two different occasions to the marginally noted four persons with a

Messrs Hutchannanavara Rudrappa Veera Setappanavara Chikveeranna Madure Chennabasappa & Madure Kurmudrappanavara Rudrap a	} view to form the nucleus of a fund, the interest earnings - from which were to be applied

for the conduct of services detailed in the petitions herein enclosed.

3. On 15th November 1921, the petitioners presented an application to the Deputy Commissioner, Bangalore District, through their Counsel Mr. P.N.V. Deva, praying for permission to file a suit against the --- Trustees under Section 92 of the C.P.Code for the recovery of the --- amounts paid by them, for their removal from Trusteeship, for accounts and other reliefs, as the surviving Trustees had failed to appoint -- another person in place of Madure Chennabasappa, deceased, and were acting detrimentally to the interests and objects of the Trust and had started a private Bank in their name.

4. This petition was opposed by the Trustees who said that the -- Bank called the "Dharmasahaya Chamarla Bank" had been formed in --- accordance with the wishes of the petitioners, that the Trustees ---

interest accruing on (i) Rs.6000/- deposited in Mysore Loan Bonds and (ii) on Rs.10,000/- loaned by the Bank, to several persons on good security was being utilized for charitable purposes, that the Bank had maintained regular accounts which were open to the scrutiny of the Registrar of the Joint Stock Companies and in conclusion the opponents prayed that as no case has been made out, the petition may be dismissed.

5. In their reply statements dated 28th April 1922 and 11th August 1922 (enclosed in the records) the petitioners denied the statements made by the opponents and stated among other things that it was absolutely false that the Bank had been started according to their wishes, that long after the money was paid to the opponents Mr.Chick-Veeranna went to their one night and took their signatures to the petitions dated 23rd November 1918 under false pretences, by means of which the opponents have arbitrarily changed the nature of the Trust and have their personal liability to the Bank, and requested that, as the applications, even if true could not according to law operate against the original creation of the Trust and as the deposit of trust money in a private Bank was not safe and contrary to law and as the law did not give the opponents power to validate an act which was void ab initio, permission might be given to proceed against the opponents who were guilty of breach of faith and had rendered themselves liable to be removed from Trusteeship.

6. On 20th December 1922, the Deputy Commissioner (Mr.P.Ramaswamaiya) dismissed the petition as the petitioners had shown no earnestness in the conduct of the case and as advocate after advocate had given up their cause and finally there had been no one to represent them.

7. On 2 th June 1923 one of the Donors Chennamma, petitioned to me representing that as she was unaccustomed to appear in public she had engaged Lawyers and that in spite of this the case had been struck off the file owing to the non-appearance of parties and that as in the meantime she was required to give her thumb impression to blank paper, she became very suspicious of the bona-fide intentions of the opponents and praying that the amount may be recovered and deposited under the charitable endowment scheme, the interest being applied for the services mentioned in her petition.

and and on perusing the records ordered that as her petition had been dismissed for non-appearance of the petitioner or her accredited --- agent to conduct the case, she may apply to the Deputy Commissioner who would take up the petition on file again and pass orders.

8. On 16th February 1924, Chennamma again presented a petition -- to me wherein she stated that there was no need to conduct any - -- elaborate enquiry, and prayed that as the amount paid by her and Deviramma had been admitted by the authorities of the Bank, that as the nature of the business transacted in the Bank was more or less speculative and that as the charities were not being conducted in conformity with her expressed desires, the charities founded by her which fell clearly under Section 3 (1) of the Mysore Regulation may be taken under Government control, the details about the withdrawal of the amount from the Bank and its further deposit in other interest bearing securities and all other allied matters being settled by Government at their pleasure and option.

9. Notices were issued to the opponents to appear before me on the 31st March 1924. Out of three persons summoned only two viz., Chikka-Veeranna and Madure Putta Rudrappa appeared and admitted the liability and requested that the further hearing may be postponed to another -- date as one of the Trustees was absent and as they had not brought the connected papers. The case was ~~adjourned~~ accordingly adjourned to -- 7th April on which date the opponents appeared with their counsel Mr.D. Shama Rao, Advocate who argued on the grounds covered in their written statement of 7th March 1922 presented to the Deputy Commissioner. The advocate was thereupon requested to produce the marginally noted accounts and papers for reference and was told that on their receipt a reference --- would be made to Government and that his clients will have to abide by the orders to be passed by Government on a full consideration of the facts of the case.

1. Details of Investment and 2. Totals of different kinds of expenditure incurred last year and interest-received last year. 3. Copy of the trust deed.

10. From the statement showing the details of investment it will be seen that the major portion of the subscribed share value viz nearly - 64% belongs to the petitioners in the case and that with the exception

exception of two sums of Rs.6000/- and Rs.110-13-4 invested in loan bonds and savings Bank, respectively, the balance of amount has been lent to individuals on mypothecation deeds etc., The business transacted by this Bank is in no way different from the other Banks of the kind and there is reason to believe that the apprehensions entertained by the Petitioners about the security of the amounts contributed by them are well-founded.

The statement of expenditure furnished by the Bank does not --- mention the rate and the number of scholarships given to students and the number of persons whowere fed in the Mahantana Matha and to whom rice doles were given - as to what safeguards have been taken to see to the proper performance of the sevas in the several Institutions are also -- not noted.

11) In the circumstances narrated above I request you to be so good as to consult the Legislative Department and to favour me with orders of -- Government on the following points:

(i) Whether the petitions of Deviramma and Chennamma dated 23rd November 1918 alleged to have been fraudulently taken from them and which are not written ~~from them and which are not written~~ on stamp paper of requisite value and registered, can be considered as Trust Deeds executed in favour of the deponents.

(ii) Admitting that they are Trust Deeds, whether it is not open to the Creators of the Trust either to annul or modify the Trust or create a -- new one without having recourse to the provisions of Sec.92 of the Code of Civil Procedure.

(iii) Whether the investment of Trust money in a private Bank, though - registered under the Joint Stock Companies Regulation, is permitted by law relative to Trusts.

(iv) If investment of Trust money in private Banks is permissible what guarantees have to be demanded from the Trustees for the Security of the Trust money, in case the Bank should go into liquidation voluntarily or other ~~wise~~ wise

& (v) Whether the management of the Trust can be undertaken by Government under Section 3 (i) of the Madras Regulation, as the creator of the Trust has reserved no interest of a residuary or beneficial nature for - herself.

12.

Thereupon I called for a report from the Deputy Commissioner and

12. I solicit early orders of Government in the matter, as the ---- petitioners are anxious to see that the charities founded by them are placed on secure and permanent basis.

I have the honor to be,

Sir,

Your most obedient servant,

Asst Mgr.

Mukhtar Commissioner.

(Absent from Headquarters)

KSR.

PMK

Muz 4]

SUBJECT.....

Diary No. of letter replied to _____

Section Muz

File No. 274—23

Serial No.

Muzrai Secretariat

( )

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No. 277

One zone selection records.

To The Muzrai Commr in Mysore

Date of issue_____

Signed by _____

Sir, With reference to your letter No. Pet C 165 of 1923, dated 21st April 1924 in the matter of Centum Charities founded by Devaramma & Chennamma of Vaijanahalli Devanahalli Taluk, I am directed to forward herewith as desired by you in the copy of the memo Containing the opinion of the Secretary to Govt. on the several points

Referred to in para 11 of
your letter under acknowledgement

Yours etc

18 8bre

18/8/25

List of enclosures

Copied by

Examined by